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OFFICIAL STATEMENT

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Redevelopment Agency of the City of Redlands

$4,500,000

Redlands Redevelopment Project

1977 Tax Allocation Refunding Bonds

Bids to be received by the Secretary of the Agency at or before 11:00 A.M., Tuesday, February 8, 1977 in the office of the City Clerk, City Hall, 30 Cajon Street, Redlands, California 92373

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Public debts Munic "

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REDEVELOPMENT AGENCY OF THE CITY OF REDLANDS

Charles G. DeMirjyn, *Chairman*

Ellsworth E. Miller
Warren R. Elliott
Chreston M. Knudsen
Bertha Rose Grace

Robert H. Mitchell, *Executive Director*

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Edward F. Taylor, *Attorney*

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Orrick, Herrington, Rowley & Sutcliffe, San Francisco
Rutan & Tucker, Santa Ana
Bond Counsel

Stone & Youngberg Municipal Financing Consultants, Inc.
Los Angeles and San Francisco

Bank of America NT&SA, *Fiscal Agent*
Los Angeles and San Francisco

Chase Manhattan Bank N.A., New York
Harris Trust & Savings Bank, Chicago
Paying Agents

THE DATE OF THIS OFFICIAL STATEMENT IS JANUARY 18, 1977

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REDEVELOPMENT AGENCY OF THE CITY OF REDLANDS

30 Cajon Street
Redlands, California

January 18, 1977

TO WHOM IT MAY CONCERN:

The purpose of this Official Statement is to supply information to prospective bidders on and buyers of $4,500,000 1977 Redlands Redevelopment Project Tax Allocation Refunding Bonds, authorized and issued for the purpose of Refunding $4,500,000 of 1975 Tax Allocation Bonds of the Agency and paying of expenses in connection with bond issuance.

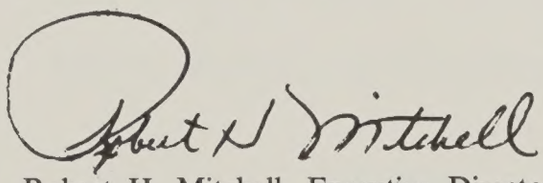
The material contained in this Official Statement was prepared by Stone & Youngberg Municipal Financing Consultants, Inc., in the capacity of financing consultants to the Redevelopment Agency of the City of Redlands. (Such firm will receive compensation from the District contingent upon the sale and delivery of the Bonds.) Summaries herein presented of the Resolution of Issuance, Official Notice of Sale, proposed project improvements, financial and economic data do not purport to be complete, and reference is made to the documents on file in the office of the Secretary of the Agency for further information. Statements which involve estimates or opinions, whether or not expressly so described herein, are intended solely as such and are not to be construed as factual reports.

The Official Statement does not constitute a contract with the buyers or holders, from time to time, of the Bonds. The Resolution of Issuance, which does constitute such a contract, is available to any prospective bidder on request from said Secretary.

No dealer, broker, salesman or other person has been authorized by the District to give any information or to make any representations other than those contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy nor shall there by any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The execution and distribution of this Official Statement have been duly authorized by the Agency.

REDEVELOPMENT AGENCY OF THE
CITY OF REDLANDS



Robert H. Mitchell, Executive Director

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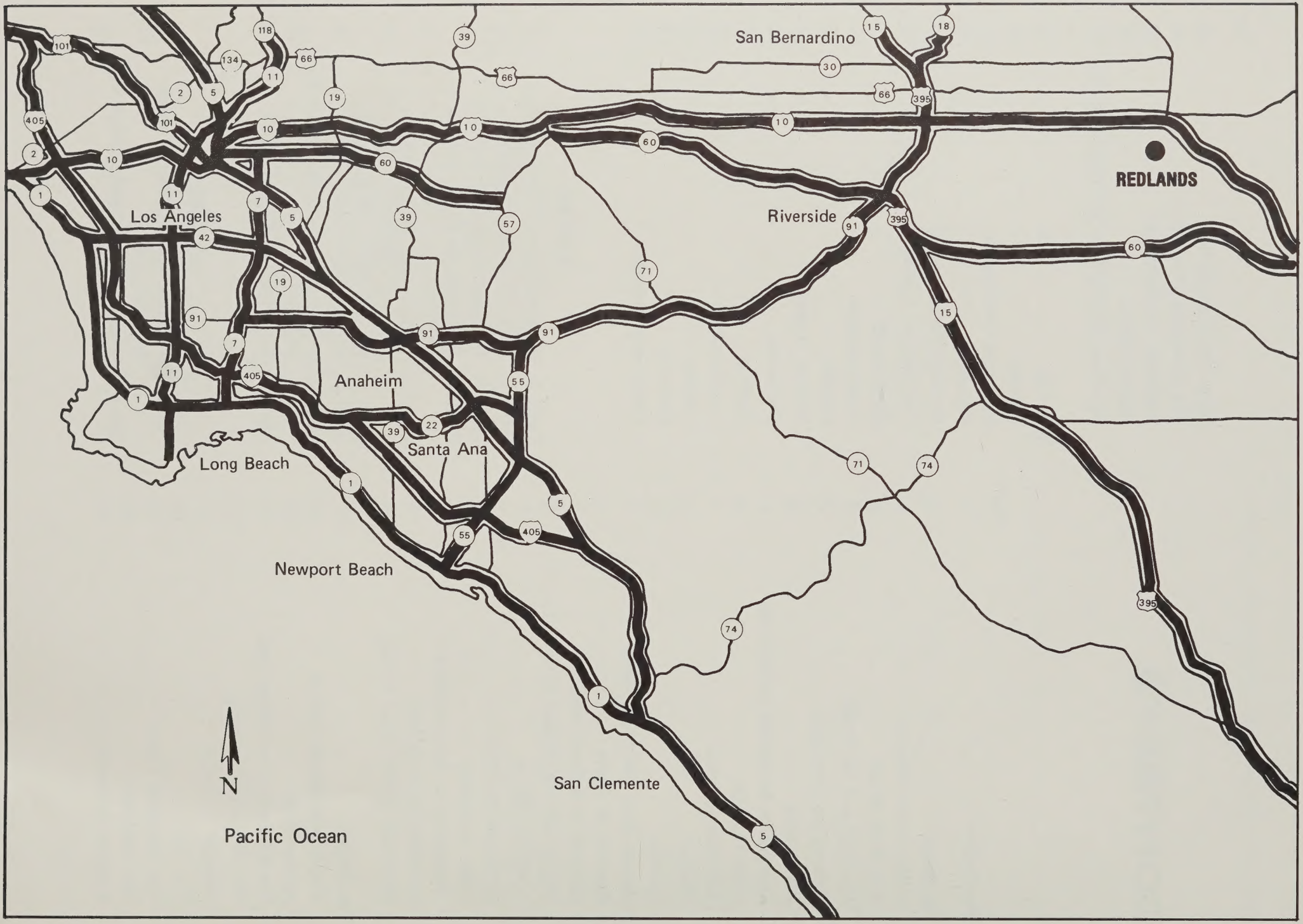

Vicinity Map

INTRODUCTION

The Redevelopment Agency of the City of Redlands will use the proceeds of the $4,500,000 of 1977 Refunding Bonds currently being offered for sale to pay the costs of redeeming, $4,310,000 of 1975 Tax Allocation Bonds of the Agency, including $86,925 of premiums payable upon the redemption of the 1975 Bonds, and to meet the costs of issuance of the 1977 Refunding Bonds. The $4,310,000 of 1975 Tax Allocation Bonds are to be reedemed on July 1, 1987. The bonds to be redeemed are scheduled to mature on July 1 of the years 1988 through 2000. They are redeemable at their par value, plus accrued interest, and a premium equal to one quarter of one percent for each year, or intervening fraction of a year, between their redemption date and their fixed maturity dates.

From the proceeds of the bonds $4,396,925 will be deposited in the Escrow Fund to be used to pay the costs of redeeming the $4,310,000 of 1975 Tax Allocation Bonds on July 1, 1987. The balance of the proceeds will be placed in the Expense Fund and used to pay the costs of issuance of the 1977 Refunding Bonds.

The Escrow Fund will be held by the Escrow Bank, the Bank of America NT & SA. Money in the fund will be invested in direct obligations of the United States of America maturing on or before July 1, 1987.

Interest earned on the investments made with the money in the Escrow Fund will be deposited in the Investment Revenue Fund and used by the Fiscal Agent to pay the interest on the 1977 Refunding Bonds coming due on or before July 1, 1987. At the time the 1977 Refunding Bonds are delivered to the initial purchaser the Agency will deposit with the Fiscal Agent the amount, if any, which an independent certified accountant shall determine to be needed, together with the premium and accrued interest on the bonds and the investment earnings, to provide sufficient money in the Investment Revenue Fund to pay the interest coming due on the 1977 Refunding Bonds on and before July 1, 1987.

Debt service on the 1977 Refunding Bonds after July, 1 1987, will be payable from the tax increment revenues of the Agency. These tax increment revenues will consist of the amount of taxes collected by applying the tax rates levied by other units of local government overlapping the Redevelopment Project Area to the amount of assessed valuation

in the Project Area which is in excess of the 1972/73 assessed valuation of the area. The amount of tax increment revenue which will be realized will depend on the tax rates of these overlapping governmental units. Accordingly, any reduction in tax rates, whether as a result of new statutes, Constitutional amendment or the provision of additional revenues to taxing agencies which would reduce the need for tax revenues, or any increases in exemptions for the type of property located in the redevelopment project area which are not offset by funds from other sources, would have the effect of reducing the Agency's tax revenues. The amount of school district taxes in particular which may be levied in the future may be limited by a December 1976 decision of the California Supreme Court that the present system of financing public schools based on ad valorem taxes is invalid. The decision required that a Constitutionally valid system be placed into effect within four years. Furthermore, the California Legislature is expected to review the entire system of ad valorem taxes in its 1977 session.

On and before July 1, 1987, the tax increment revenues will be used to meet debt service on the 1975 Tax Allocation Bonds and other obligations of the Agency including amounts due the City of Redlands under a reimbursement agreement.

The proceeds from the sale of the 1975 Tax Allocation Bonds were used to pay the costs of acquiring and clearing land in a six-block area for a new shopping center and in an adjacent three-block area where other commercial development is planned, and to meet certain other costs and obligations incurred in connection with the shopping center development. The Agency has also issued $6,200,000 of Parking Lease Revenue Bonds to finance parking facilities adjacent to the shopping center. The Parking Lease Revenue Bonds are secured by a pledge of rentals payable to the Agency by the City of Redlands under a lease of the parking facilities. The Parking Lease Revenue Bonds are not payable from the tax increment revenues. However the Agency has agreed to reimburse the City for the rentals paid under the parking facilities lease from any tax increment revenues which may become available after meeting debt service on the Agency's Tax Allocation Bonds.

The shopping center and the adjacent three-block area are being developed by a partnership between Ernest W. Hahn, Inc. and R-J Investments. It will be anchored by a 60,000 square foot Harris Department Store which will be linked by a 22,100 square foot enclosed mall to approximately 74,000 square feet of mall shops and a 25,000 square foot Von's supermarket. It will also contain a free-standing 12,000 square foot financial building, including a United California Bank branch office of approximately 5,000 square feet.

The United California Bank branch is now open. The Von's supermarket is scheduled to open in May. The balance of the shopping center is scheduled to open in the first week of March.

The 1976/77 assessed valuation of the Project Area is $3,667,095 above the 1972/73 base. The 1977/78 assessed valuation of the Project Area, including the shopping center and other buildings completed or to be completed since the lien date for 1976/77 taxes is estimated to be $6,875,463 above the 1972/73 base.

The 1976/77 tax rate within the Project Area is $12.4641 per $100 assessed valuation, including $4.8584 levied by the Redlands Unified School District, of which $4.2905 is for operations and 57.69 cents is for debt service, and special school levies of 16.57 cents. If the 1976/77 tax rate were continued in the 1977/78 fiscal year and applied to the estimated increase in the Project Area assessed valuation it would produce a levy of $859,457.

THE BONDS

Authority For Issuance

The $4,500,000 of 1977 Redlands Redevelopment Project Tax Allocation Refunding Bonds of the Redevelopment Agency of the City of Redlands are being issued under the Community Redevelopment Law, Part 1 of Division 24 of the Health and Safety Code of the State of California, commencing with Section 33000, and pursuant to Resolution No. 154 of the Agency adopted on January 18, 1977.

Sale of the Bonds

Bids for the purchase of the bonds will be received by the Secretary of the Redevelopment Agency at or before 11:00 A.M. Tuesday, February 8, 1977, in the office of the City Clerk, City Hall, 30 Cajon Street, Redlands, California 92373. It is expected that the bids will be referred to the Redevelopment Agency for action at a meeting to be held later the same day.

Details of the terms of sale are set forth in the Official Notice of Sale approved on January 18, 1977. A copy of the Notice accompanies this official statement.

Description of the Bonds

The $4,500,000 of 1977 Tax Allocation Refunding Bonds will be dated March 1, 1977 and will be initially issued as coupon bonds in denominations of $5,000 each. The bonds will be numbered 1 through 900. The bonds will mature on July 1 of the years 1988 through 1999 in the amounts shown in the accompanying Schedule of Maturities.

SCHEDULE OF MATURITIES

Year	Amount	Year	Amount
1988	$270,000	1994	$400,000
1989	290,000	1995	430,000
1990	310,000	1996	455,000
1991	330,000	1997	490,000
1992	350,000	1998	520,000
1993	375,000	1999	280,000

The first interest payment on the bonds will be due July 1, 1977 and will represent interest for the four month period from the date of the bonds. Thereafter interest will be payable semiannually on January 1 and July 1 of each year, commencing January 1, 1978.

Both interest and principal are payable at or by the Los Angeles Corporate Trust Agency of the Bank of America NT & SA or at paying agents of the Agency in Chicago, Illinois or New York, New York.

Redemption Provisions

The bonds maturing on July 1, 1988 are not subject to redemption prior to maturity. The bonds maturing on and after July 1, 1989 are subject to call for redemption, in inverse order of maturity and by lot within a single maturity on any interest payment date beginning July 1, 1988. The bonds are redeemable at par, plus accrued interest and a premium equal to one quarter of one percent for each year or intervening fraction of a year from the redemption date to the maturity date of the bond.

Notice of redemption is to be published once at least 30 but no more than 60 days before the redemption date in a financial journal circulated in New York City and is to be mailed to all holders of registered bonds to be called for redemption.

Registration

The bonds will be initially issued as coupon bonds in denominations of $5,000 each. Thereafter coupon bonds may be exchanged for registered bonds of the same maturity in denominations of $5,000 or any multiple of $5,000 and registered bonds may be exchanged for coupon bonds.

Legality for Investment in California

Section 33663 of the Community Redevelopment Law provides that bonds of a redevelopment agency are legal investments for all banks, trust companies, savings banks, building and loan associations, insurance companies, political subdivisions and trust funds and that the bonds are eligible to secure public deposits in California.

The Superintendent of Banks of the State of California has ruled that bonds of a redevelopment agency are legal investments in California for savings banks.

Legal Opinion

The unqualified legal opinion of Orrick, Herrington, Rowley & Sutcliffe, San Francisco, California, and Rutan & Tucker, Santa Ana, California, joint bond counsel to the Redevelopment Agency of the City of Redlands in connection with the 1977 Refunding Bonds, will be furnished without cost to the original purchasers of the bonds. A copy of the legal opinion, certified by the official of the Agency in whose office the original is filed, will be printed on each bond at the expense of the Agency.

Tax Exempt Status

In the opinion of bond counsel the interest on the bonds is exempt from Federal income taxes and from State of California personal income taxes under existing Federal and State laws, regulations and court decisions.

Purpose

The proceeds from the sale of the bonds will be used to pay the costs of redeeming $4,310,000 of 1975 Tax Allocation Bonds of the Agency maturing July 1 of 1988 through 2000, including $86,925 of premiums payable upon redemption of those bonds on July 1, 1987, and to meet the costs of issuing the refunding bonds.

Security

On and prior to July 1, 1987, the interest on the refunding bonds is payable from interest earned on the proceeds of the refunding bonds and from any other funds which may be set aside at the time of delivery of the bonds for the purpose of redeeming the 1975 Tax Allocation Bonds or paying interest on the 1977 Refunding Bonds.

Thereafter bond principal and interest are payable from, and secured by, an exclusive pledge of the tax revenues received by the Agency and of the money in the Reserve Fund, described below. Bond principal and interest may also be met with any other funds the Agency may have available for the purpose, such

as unexpended proceeds from 1975 bond issue or other interest earnings.

The tax revenues will be derived by the Agency from any increases in the assessed valuation of the Redevelopment Project Area in the following manner.

Under the California Community Redevelopment Law and the Redevelopment Plan, taxes levied by any taxing agency on taxable real property in the project area will be divided as follows:

1. *Frozen Tax Base* — Each year commencing with the 1973/74 fiscal year, each taxing agency which receives ad valorem taxes from the project area has been entitled to receive the amount calculated by applying its then current tax rate to the amount of assessed valuation in the project area up to the amount which was shown on the assessment roll last equalized before the effective date of the Redevelopment Plan (in this case, the 1972/73 roll).

2. *Tax Increment*—Commencing with the 1973/74 fiscal year, the Redevelopment Agency has been entitled to receive the amount calculated by applying the then current tax rates of all taxing agencies to the amount of any increase in assessed valuations over that shown on the 1972/73 equalized assessment roll for the Redevelopment Project Area. This amount is referred to in this Official Statement as the tax increment or tax increment revenues, or tax revenues. The first tax increment of the Redlands Redevelopment Project occurred in 1973/74.

The bonds are special obligations of the Redevelopment Agency. They are not a debt of the City of Redlands, the State of California or any political subdivision of the State. Neither the City, the State, or any of its subdivisions are liable for payment of the bonds.

The Agency does not have the power to tax directly, only to receive the tax increment described above. Accordingly, any reduction in tax rates, whether as a result of new statutes, Constitutional amendment or the provision of additional sources of revenues to taxing agencies which would reduce the need for tax revenues, or any increases in exemptions for the type of property to be located in the project area which are not offset by funds from other sources, would have the effect of reducing the Agency's tax revenues.

The extent to which school districts in particular will continue to levy local property taxes in the future may be affected by a recent decision of the California Supreme Court declaring the present system of public school finance, involving the use of school district ad valorem taxes, to be invalid and requiring the Legislature to provide an alternative system by 1980.

The components of the tax rate levied in the project area for the 1976/77 fiscal year are shown in Table 5.

Escrow Bank and Fiscal Agent

The resolution provides that the Bank of America NT&SA will act as both Escrow Bank and Fiscal Agent for the Refunding Bonds. During the period the 1975 Tax Allocation Bonds are outstanding the bank will hold the proceeds of the Refunding Bonds together with interest earned from the investment of the proceeds and pay interest on the Refunding Bonds as it becomes due.

After the 1975 Tax Allocation Bonds have been redeemed the bank will continue to act as Fiscal Agent for the Refunding Bonds, receiving all tax revenues of the Agency, holding certain funds as described below, and paying bond interest and principal.

Creation of Funds

The resolution providing for the issuance of the bonds requires the establishment of the following funds and accounts, which are described in the following sections of this Official Statement:

1. Escrow Fund
2. Investment Revenue Fund
3. Expense Fund
4. Special Fund
    a. Interest Account
    b. Principal Account
5. Reserve Fund
6. Redevelopment Fund

Disposition of Bond Proceeds

The resolution provides that all proceeds from the sale of the refunding bonds shall be paid to the Fiscal Agent for deposit as follows:

1. *Escrow Fund.* The sum of $4,396,925 shall be deposited in the Escrow Fund and shall be held there until July 1, 1987, at which time it will be transferred to the fiscal agent for the 1975 Tax Allocation Bonds for application to the redemption of the 1975 Tax Allocation Bonds, including principal and premiums.

Money in the fund will be invested in direct obligations of the United States maturing on or before July 1, 1987.

2. *Investment Revenue Fund.* The Fiscal Agent will deposit in the Investment Revenue Fund the premium and accrued interest, if any, received upon the delivery of the Refunding Bonds, plus an amount which shall be certified by an independent certified public accountant to be sufficient, together with the earnings from the investment of the Escrow Fund, to pay the interest on the Refunding Bonds becoming due on or before July 1, 1987.

Any money remaining in the Investment Revenue Fund after redemption of the 1975 Tax Allocation bonds will be transferred to the Special Fund, described below.

3. *Expense Fund.* The remainder of the bond proceeds will be held by the Agency in the Expense Fund and used to pay the costs of issuing the Refunding Bonds. Any balance remaining in the fund after the refunding has been completed will be transferred to the Special Fund.

Deposit and Application of Revenues

Prior to Refunding

1. *Investment Revenue Fund.* All interest earned on investments in Federal securities held in the Escrow Fund on or prior to July 1, 1987 will be transferred by the Escrow Bank to the Investment Revenue Fund and used to meet interest coming due on the Refunding Bonds on and prior to July 1, 1987.

2. *Other Revenues.* On and prior to July 1, 1987, all tax revenues of the Agency will be used to meet debt service on the 1975 Tax Allocation Bonds or for any other legal purpose of the Agency, including the reimbursement of funds due to the City of Redlands under a Reimbursement Agreement between the City and the Agency which is, by its terms, subordinate to any tax allocation bonds of the Agency. The funds due the City under the Reimbursement Agreement will consist primarily of the reimbursement of rental payments to be made to the Agency under a parking facilities lease and which are pledged by the Agency to the payment of two parking lease revenue bond issues which were sold in 1974 and 1975. The lease requires the City to pay the Agency annual base rentals of $288,900 in the 1977/78 fiscal year and $577,800 in the fiscal years beginning July 1 of 1978 through 2000, plus additional rentals to cover the expenses of the Agency in connection with the parking lease revenue bond issues.

Following Refunding

1. *Special Fund.* After the 1975 Tax Allocation Bonds have been redeemed, all tax revenues of the Agency will be deposited in the Special Fund created by the Refunding Bonds resolution which will be held by the Fiscal Agent. Any money remaining at that time in the Special Fund created for the 1975 Tax Allocation Bonds or in the Investment Revenue Fund will also be placed in this fund. Additionally, any money in the Redevelopment Fund, which is described below, may be transferred by the Agency to the Fiscal Agent for deposit in the Special Fund. Money in the fund will be used as follows:

(i) *Interest Account.* On or before the last days of June and December, beginning in December of 1987, the Fiscal Agent will place in the Interest Account monies to pay the interest coming due on the next interest payment date.

(ii) *Principal Account.* On or before June 30 of each year, beginning June 30, 1988, the Fiscal Agent will place in the Principal Account monies to pay the principal coming due on the next July 1.

(iii) *Reserve Fund.* Following the redemption of the 1975 Tax Allocation Bonds, any money in the Reserve Fund created for that bond issue will be placed in the Reserve Fund established for the Refunding Bonds. Thereafter, the Fiscal Agent will transfer to the Reserve Fund the amount, if any, required to bring the balance in the account to an amount equal to the next two interest payments on the Refunding Bonds. Money in the account may be withdrawn solely for the purpose of replenishing any deficiency in the Interest or Principal Accounts, except that any balance in the account in excess of the

next two interest payments may be transferred to the Special Fund.

(iv) *Transfers to Agency* — On or before January 2 of each year, beginning January 2, 1988, the Fiscal Agent shall calculate the amount of Tax Revenues received, or to be received, based on the current assessed valuation of the project area which will be in excess of the interest and principal to become due on the next July 1 and January 1. The Agency may request that all or a portion of such amount be withdrawn from the Special Fund for any legal purpose, including reimbursements to the City of Redlands of funds expended by the City for purposes beneficial to the Redevelopment Project, and/or transfer to San Bernardino County Auditor-Controller for payment to the taxing agencies in the Project Area.

(v) *Purchase and Redemption of Bonds*—Any remaining balance may be used to purchase or redeem bonds, and any such balance in the fund on April 1 of each year, beginning April 1, 1988, which is not used to purchase bonds must be applied to the redemption of bonds.

2. *Redevelopment Fund.* Following the redemption of the 1975 Tax Allocation Bonds any money in the Redevelopment Fund created from the proceeds of that issue will be deposited in the Redevelopment Fund established in connection with the Refunding Bonds. The Fund will be held by the Agency and used to meet the costs of completing the redevelopment project, except that any amount not required to meet project costs may be deposited in the Special Fund.

Additional Bonds

The Agency may issue additional parity bonds to meet Redevelopment Project costs, subject to the following conditions:

1. The Agency is in compliance with all covenants set forth in the resolution providing for the issuance of these bonds.

2. The maximum annual bond service on the outstanding bonds and the additional bonds shall be at least equaled by the tax revenues received or to be received by the Agency during the fiscal year in which such parity bonds are issued, based upon the most recent assessed valuation of the Redevelopment Project Area, plus, at the option of the Agency, an allowance for additional revenues to be received by the Agency during the twelve month period commencing on the day following the end of the period for which interest on the additional bonds shall have been funded from the proceeds of the additional bonds, based on an estimate by the Assessor or Auditor-Controller of San Bernardino County, or by a licensed independent M.A.I. appraiser, of the increase in assessed valuation which will result from projects for which substantial binding obligations have been incurred and for which adequate funds have been committed, without assuming any increase in the then current tax rates.

3. The Reserve Fund will be increased to an amount equal to the next two interest payments on the outstanding bonds and the additional bonds from bond proceeds.

4. Interest on the additional bonds will be payable on January 1 and July 1 and principal will mature July 1.

5. The additional bonds may not be subject to call for redemption prior to July 1, 1988.

The Agency may also issue short term notes, payable no later than one year from their date, out of the tax revenues to be received in said one year period, for the purpose of replenishing the minimum reserve fund balance.

Investment of Funds

Money in the Escrow Fund and the Investment Interest Fund may be invested only in direct obligations of the United States of America. Investments purchased with the Escrow Fund monies must mature on or prior to July 1, 1987. Investments made with the Investment Interest Fund monies must mature on or prior to the date the monies are required to pay interest or other costs.

Moneys in all other funds established in connection with the Refunding Bonds may be deposited in bank accounts which are secured by the same obligations eligible to secure deposits of public funds or may be invested in either Federal securities (as defined in the resolution providing for the issuance of the bonds) or certificates of deposits. Such investments must mature on or prior to the dates the funds are needed.

Moreover, the Agency covenants in the bond resolution not to cause proceeds from the sale of the bonds to be invested in such a manner as to cause the bonds to be classified as arbitrage bonds.

Other Covenants

Under the resolution providing for the issuance of the Refunding Bonds the Agency covenants:

1. To punctually pay bond interest and principal and to abide by all other provisions of the resolution;

2. Not to extend or agree to an extension of time for the payment of any interest coupon (The covenant provides that in case of default any coupon so extended will have no rights under the resolution until all other coupons and bonds have been paid.);

3. Not to encumber or place a senior or equal lien on the tax revenues;

4. To manage and keep insured all of its properties in a business-like manner;

5. To pay or contest in good faith all claims which might become a lien on the tax revenues or any property of the Agency or which might otherwise impair the security of the bonds;

6. To keep proper accounts and records and to file with the Fiscal Agent, within 120 days after the close of each fiscal year, financial statements for the fiscal year audited by an independent certified public accountant;

7. To protect the security of the bonds and the rights of the bondholders and to defend them against any claims;

8. To maintain paying agents in Chicago and New York;

9. To pay or contest in good faith all taxes, assessments or other governmental charges on the Agency, its tax revenues or its properties;

10. To complete the redevelopment project with all practical dispatch and in conformity with the redevelopment plan;

11. To use the proceeds of any award in eminent domain proceedings as follows:

    (i) To pay and redeem all bonds if the amount of the award is sufficient for the purpose, provided that the Agency may retain any balance of the proceeds remaining after redemption of the bonds

    (ii) If the amount of the award is insufficient to pay and redeem all bonds, then either:

        (a) To apply the proceeds to the purchase and/or the payment and redemption of a pro rata share of the bonds, or

        (b) To use the proceeds to meet the costs of additions to the redevelopment project, if the Fiscal Agent determines that such additions will generate new Tax Revenues at least equal to those lost as a result of the eminent domain proceedings, or

        (c) To deposit the proceeds in the Redevelopment Fund if the Fiscal Agent determines that the eminent domain proceedings will have no material effect on the Tax Revenues;

12. To make provision for the collection of taxes or in-lieu payments equal to the taxes which would have been payable on any property leased by the Agency if that property had been privately owned.

13. Not to dispose of more than ten percent of the real property in the redevelopment project area for public use which would make it tax exempt (except for land now scheduled for public use in the redevelopment plan) unless:

    (i) An independent real estate appraiser and financial consultant report, respectively, that the disposition would not diminish the Tax Revenues and would not materially impair the security of the bonds, or

    (ii) The purchaser agrees to pay to the Fiscal Agent, for deposit in the Special Fund, an amount equal to the taxes which would be payable between July 1, 1987 (the refunding date) and July 1, 1999, (the final maturity date of the Refunding Bonds) if the property were taxable.

Amendment of the Resolution

The bond resolution may be amended with the consent of the owners of at least 60 percent of the outstanding bonds (excluding bonds owned by the Agency, the State of California or any subdivision of

the State, except for bonds held by pension funds) provided that no such amendment shall reduce the time for, or amount of, payment of principal or interest without the consent of the affected bondholder; create a lien on the Tax Revenues which is equal or superior to the lien of the Refunding Bonds; reduce the percentage of bonds required to approve amendments to the resolution; or modify the rights or obligations of the Fiscal Agent or any paying agent without their consent.

The Agency may, without the consent of the bondholders, amend the resolution to add covenants or to restrict the Agency's rights, to cure ambiguities or other defects, by provisions not adversely affecting the interests of the bondholders or to provide for the issuance of additional bonds in accordance with the provisions of the resolution.

Remedies Upon Default

The bond resolution provides that any of the following shall constitute an event of default:

1. Failure to punctually pay interest or principal;
2. Failure by the Agency for a period of 30 days to observe any of the terms of the resolution;
3. If the Agency files a petition in bankruptcy under Federal law, or if a court shall approve a petition seeking reorganization under Federal bankruptcy, or if a court shall assume custody of the Agency or its property under any law for the relief of debtors.

In any such event of default the resolution provides that either the Fiscal Agent or the holders of 60 percent of the bonds may declare all of the bond principal and accrued interest immediately due and payable. If such a declaration of acceleration is made the monies in the Special Fund, (including the Interest and Principal Accounts) and the Reserve Fund, and any Tax Revenues received will be applied as follows:

1. First, to pay the fiscal agent or the bondholders the costs of making the declaration of acceleration.
2. Next, to the payment of principal and interest together with interest at the rate of seven percent on any overdue installments of interest, provided that if the money available is not sufficient to pay all principal and interest it is to be pro rated against all outstanding amounts.

Estimated Annual Bond Service

Table 1 shows a schedule of estimated annual bond service for the 1977 Tax Allocation Bonds based on an estimated interest rate of 6¾ percent.

Table 1

REDEVELOPMENT AGENCY OF THE CITY OF REDLANDS

Estimated Annual Bond Service

Year Ending July 1	Principal Outstanding	Interest Estimated At 6¾ %	Principal Maturing	Total Bond Service
1977	$4,500,000	$ 101,250	$ —	$ 101,250①
1978	4,500,000	303,750	—	303,750①
1979	4,500,000	303,750	—	303,750①
1980	4,500,000	303,750	—	303,750①
1981	4,500,000	303,750	—	303,750①
1982	4,500,000	303,750	—	303,750①
1983	4,500,000	303,750	—	303,750①
1984	4,500,000	303,750	—	303,750①
1985	4,500,000	303,750	—	303,750①
1986	4,500,000	303,750	—	303,750①
1987	4,500,000	303,750	—	303,750①
1988	4,500,000	303,750	270,000	573,750②
1989	4,230,000	285,525	290,000③	575,525②
1990	3,940,000	265,950	310,000③	575,950②
1991	3,630,000	245,025	330,000③	575,025②
1992	3,300,000	222,750	350,000③	572,750②
1993	2,950,000	199,125	375,000③	574,125②
1994	2,575,000	173,813	400,000③	573,813②
1995	2,175,000	146,812	430,000③	576,812②
1996	1,745,000	117,788	455,000③	572,788②
1997	1,290,000	87,075	490,000③	577,075②
1998	800,000	54,000	520,000③	574,000②
1999	280,000	18,900	280,000③	298,900②
	Total	$5,259,263	$4,500,000	$9,759,263

① Payable from Investment Revenue Fund

② Payable from Tax Revenues

③ Callable on and after July 1, 1988

THE PROJECT

The 1975 Tax Allocation Bonds were issued to finance the acquisition and clearance of land for a shopping center and an adjacent three-block commercial area; the repayment of $2,000,000 of notes sold by the Agency on October 1, 1974; and the acquisition of certain land to be used for parking purposes in lieu of certain other lands previously acquired for parking purposes but now to be deeded to the developer.

The shopping center is being constructed under terms of a Disposition and Development Agreement between the Agency and the developer, a partnership between Ernest W. Hahn, Inc., Hawthorne, California and R-J Investments, Newport Beach, California. The shopping center will be located on lands to be conveyed by the Agency to the developer under terms of the Disposition and Development Agreement. It will include a subsurface garage containing approximately 300 parking spaces which will be constructed by the developer under terms of the Disposition and Development Agreement. Upon completion of construction the garage will be deeded to the Redevelopment Agency. A bank has already been opened in the shopping center. The main portion of the shopping center is expected to open in the first week of March 1977. Construction of a supermarket within the center is scheduled to commence in February and to be completed in May of 1977.

The Agency has also issued $6,200,000 of Parking Lease Revenue Bonds to finance the acquisition and clearance of land for parking lots adjacent to the shopping center and the construction of parking lots on these lands.

The project reflects the City's policy of encouraging the maintenance of a strong central business district. As a part of this policy the City has refused to allow commercial zoning for large outlying areas in order to prevent development of the type of large shopping centers which have led to the economic decline of the central business districts of many other cities.

A further indication of the City's commitment to a strong central business district is the fact that approximately $650,000 of the Agency's funds have been set aside for a cooperative undertaking with local businessmen to provide additional shopper amenities in an area known as the "East Core", located to the east of the shopping center. A plan of action for the program is being drawn up for the Agency by Urban Innovations.

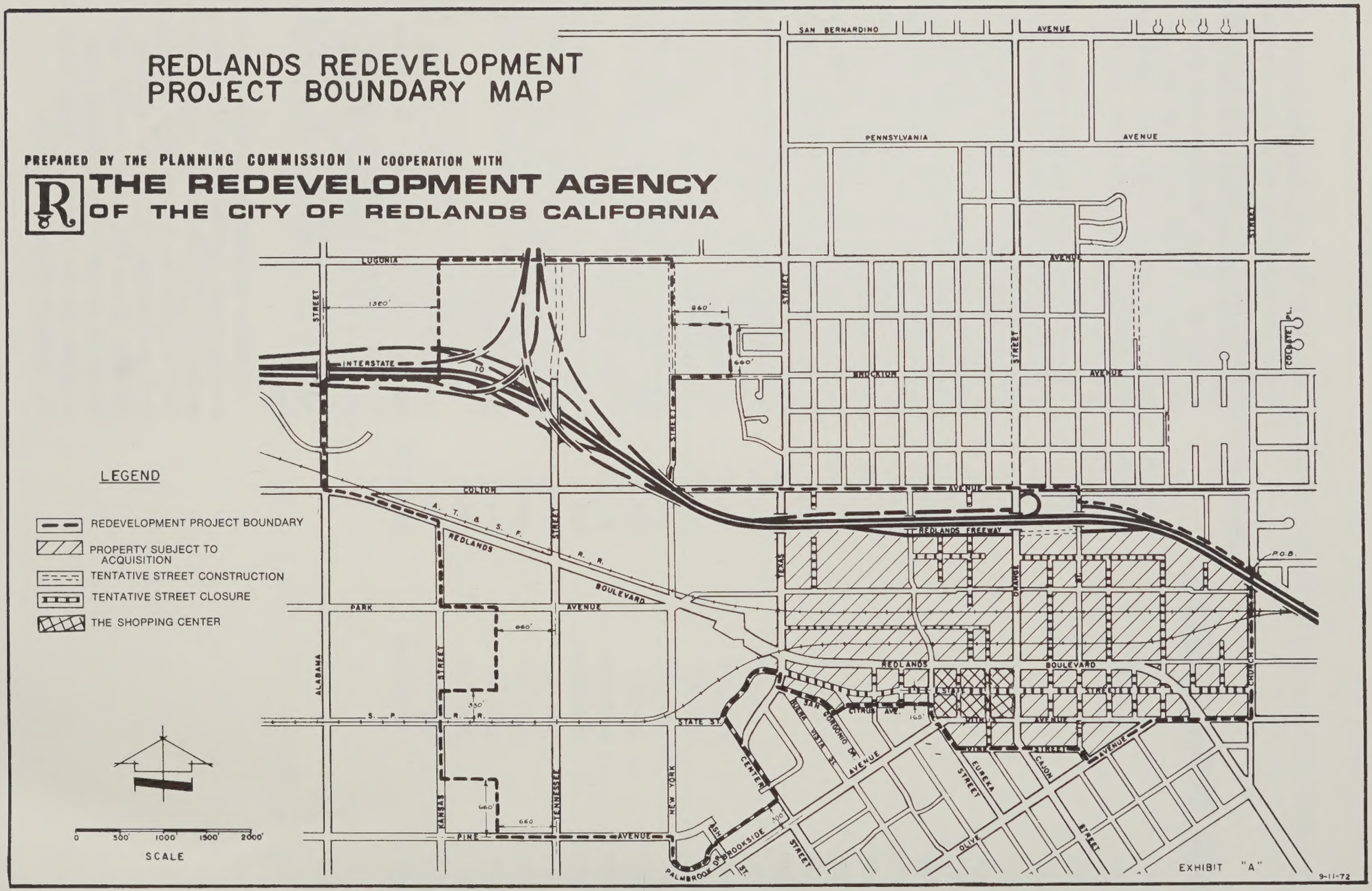
REDLANDS REDEVELOPMENT
PROJECT BOUNDARY MAP
PREPARED BY THE PLANNING COMMISSION IN COOPERATION WITH
THE REDEVELOPMENT AGENCY
OF THE CITY OF REDLANDS CALIFORNIA
LEGEND
REDEVELOPMENT PROJECT BOUNDARY
PROPERTY SUBJECT TO ACQUISITION
TENTATIVE STREET CONSTRUCTION
TENTATIVE STREET CLOSURE
THE SHOPPING CENTER
SCALE
0 500' 1000' 1500' 2000'
SAN BERNARDINO AVENUE
PENNSYLVANIA AVENUE
LUGONIA
INTERSTATE 10
COLTON
REDLANDS FREEWAY
A. T. & S. F. R. R.
REDLANDS BOULEVARD
PARK AVENUE
STATE ST.
PINE AVENUE
PALMBROOK DR.
BROOKSIDE
CENTER STREET
SAN CONTORIO DR.
CITRUS AVE.
BOCCE VISTA ST.
EUREKA STREET
CANON STREET
OLIVE STREET
ALABAMA STREET
KANSAS STREET
TENNESSEE STREET
NEW YORK STREET
TEXAS STREET
ORANGE STREET
CHURCH STREET
P.O.B.
EXHIBIT "A"
9-11-72

Figure 1

The Redevelopment Agency

The Redevelopment Agency of the City of Redlands was created under provisions of Ordinance No. 1436 of the City Council of the City of Redlands, dated April 6, 1971, and pursuant to the Community Redevelopment Law of the State of California. In the Ordinance the City Council declared itself to be the Agency.

Agency Staff

Agency functions are carried out by City staff members under the direction of the Agency Board of Directors.

Following are brief descriptions of the City personnel most directly involved in operations of the Agency.

Executive Director — Mr. Robert H. Mitchell serves as City Manager and Executive Director of the Agency. Mr. Mitchell joined the City in 1966, following his retirement from the United States Air Force with the grade of colonel. His military experience was in the management of extensive programs relating to operation and maintenance of military bases and the design and construction of buildings, including ballistic missile facilities. He was appointed Acting City Manager in April 1976 and City Manager and Director of Redevelopment in December 1976. He holds a mater's degree from the University of Illinois in civil engineering.

Community Development Director — Mr. W. C. (Bill) Schindler has served as Director of Planning and Community Development for the City since 1960. In May 1974 he was given responsibility for staff coordination of the redevelopment project. Prior to his employment by the City he operated his own business and worked in private industry on the production of solid propellants and related equipment. He holds a master's degree from the University of Southern California in city and regional planning.

City Attorney — Mr. Edward F. Taylor is both the City Attorney and the attorney for the Agency. Mr. Taylor is a partner in the firm of Welebrin, Brunick and Taylor, San Bernardino, California. He has been City Attorney since February 1, 1956.

Secretary — Mrs. Peggy A. Moseley acts as both City Clerk and Secretary of the Agency. She was appointed City Clerk on June 30, 1965. On November 4, 1973 she was named Secretary of the Agency, retroactive to February 1972. Mrs. Moseley attended the University of Denver, Loretta Heights College in Denver and the University of California at Santa Cruz and Riverside.

Treasurer — Mr. Thomas F. O'Donnell serves as Treasurer of both the City and the Redevelopment Agency. He was appointed City Treasurer on December 31, 1974 to fill the unexpired term of his predecessor, who retired. He was elected to a four-year term on March 2, 1976. From 1967 to 1976 he was Director of Accounting for the University of Redlands.

The Redevelopment Project Area

The Redevelopment Project covers approximately 900 acres of land within the City of Redlands, extending from north of the Interstate 10 freeway across the central part of the City and including the downtown business area.

The boundaries of the project area are shown by Figure 1.

Tax Allocation Financing

Under the Community Redevelopment Law, the Agency is a separate public body and exercises governmental functions in executing duly adopted redevelopment projects. The Agency has the right to acquire property, by purchase or eminent domain proceedings, to clear, develop and improve property, to sell or lease such property, to accept financial assistance from any source and to issue bonds.

The Community Redevelopment Law authorizes a method of financing redevelopment projects based upon the increase in property taxes within the project area which may occur as redevelopment proceeds. The assessed valuation within the project area is frozen at the level existing prior to the adoption of the redevelopment plan and all overlapping taxing agencies continue to receive the taxes derived by the levy of their current tax rates against assessed valuations of the project area up to this frozen base. All property taxes collected upon any increase in assessed valuations above the frozen base will be credited to a redevelopment agency to the extent necessary to repay any indebtedness incurred by the

agency in the development of the project. Such indebtedness may include a contractual obligation of the agency to reimburse to the city the costs of property, services and improvements provided by the city in aid of the redevelopment program including rentals pledged to the payment of the Agency's Parking Lease Revenue Bonds.

Assessed Valuation

The 1976/77 assessed valuation of the project area is shown in Table 2.

Table 2

REDLANDS REDEVELOPMENT PROJECT

1976/77 Assessed Valuation

	Total Assessed Valuation	Less: Frozen Tax Base	Increase From Tax Base
Local			
Secured	$10,251,790	$ 8,083,190	$ 2,168,600
Utility	4,014,750	3,139,150	875,600
Unsecured	3,163,735	2,540,840	622,895
Total	$17,430,275	$13,763,180	$ 3,667,095

Table 3 shows the increase in the assessed valuation of the redevelopment project area over the frozen tax base which has occurred in the years since its formation.

Table 3

REDLANDS REDEVELOPMENT PROJECT
Increases In Assessed Valuation

Fiscal Year	Basis of Tax Increment
1973/74	$ 792,090
1974/75	1,203,470
1975/76	2,530,050
1976/77	3,667,095

Tax Rate

The ad valorem tax rates levied within the Redevelopment Project Area following its formation are shown in Table 4.

Table 4

REDLANDS REDEVELOPMENT PROJECT

Tax Rates Per $100 Assessed Valuation

Fiscal Year	Tax Rate	
	All Property	Land Only
1973/74	$12.2656	$0.0300
1974/75	12.1524	0.0269
1975/76	12.5868	0.0300
1976/77	12.4641	0.0300

Table 5 shows a summary of the components of the 1976/77 tax rate applicable to the Project Area.

Table 5

REDLANDS REDEVELOPMENT PROJECT

1976/77 Tax Rates Per $100 Assessed Valuation

Agency	Tax Rate
County of San Bernardino	$ 3.0034
City of Redlands	2.4800
Redlands Unified School District	
Operations	4.2905
Debt Service	0.5679
San Bernardino Community College District	0.7166
Special School Taxes	0.1657
San Bernardino Valley Municipal Water District	0.9800
Flood Control Zone 3	0.2600
Total	$12.4641①
San Bernardino Valley Water Conservation District	0.0300②

① Applicable to all taxable property

② Applicable to land only

The Shopping Center

The shopping center is being constructed on a 12.6 acre site within the central business district of the City. It will include a 60,000 square foot department store, a 22,100 square foot enclosed mall with approximately 74,000 square feet of mall shops, a 25,000 square foot supermarket and a 12,000 square foot financial building including a 5,000 square foot bank. The Harris Company, which operates department stores in the neighboring Cities of San Bernardino and Riverside and in the City of Indio, southeast of Palm Springs, as well as 30,000 square foot store in Redlands, has entered into a lease of the department store. Von's Grocery Co., a unit of Household Finance Corp., has entered into a lease of the market. The United California Bank has leased the bank building.

Approximately 300 parking spaces will be provided in a 110,245 square foot covered garage extending below the department store and a portion of the mall. The garage is being constructed by the developer and will be conveyed to the Agency upon completion. Approximately 470 surface parking spaces will be provided by the Agency on 248,300 square feet of land adjacent to the buildings. About 150 additional parking spaces will be provided by the Agency on 50,150 square feet of land located across the street forming the southern perimeter of the 12.6 acre area.

A diagram of the shopping center, and an adjacent area which is described below, is shown as Figure 2.

The Developer

The shopping center is being developed by an equal partnership between Ernest W. Hahn, Inc. and R-J Investments.

Ernest W. Hahn, Inc., has had nationwide experience in the planning, construction and management of shopping centers. As of the end of 1976 the firm had completed 22 regional shopping centers (those containing at least one department store), had five others under construction and had 25 more in various stages of development. In addition, a number of neighborhood shopping centers have been completed and others are under development.

R-J Investments is a California corporation owned by Richard D. Jones, its president, and Frank A. Klaus, former chairman of Microdot, Inc. Mr. Jones, an attorney, has participated in the development of a number of shopping centers and other real estate projects.

The developer has informed the Agency of plans to sell the shopping center to the Huntington Beach Company, a subsidiary of Standard Oil Company of California, once construction has been completed.

Adjacent Development

The partnership has also been named as developer for a two block area within the Redevelopment Project Area located immediately north of the shopping center.

The developer has announced plans to construct two restaurants of 4,300 to 4,500 square feet each within the area, plus a 10,000 square foot savings and loan office, subject to the approval of the Agency.

A new 40,000 square foot furniture store has been built on a parcel next to the two-block area to house a business which had been located in the area which was cleared for the shopping center.

Other New Construction

Several other new buildings have been constructed in the Redevelopment Project Area. Among those scheduled to appear on the tax roll for the first time in the 1977/78 fiscal year are an office of the Bank of Redlands, a Carl's Jr. restaurant, an Elk's Club building, a K-Mart store, a sporting goods store, a Teledyne, Inc. plant and two office buildings.

The Financing Program

The redevelopment program originally called for the Agency to acquire and clear the six-block area in which the shopping center will be located, to construct surface parking surrounding the shopping center and a parking garage over which a portion of the shopping center will stand, and to sell the developer the site for the shopping center, including air rights to the area over the garage.

On April 30, 1974 the Agency sold $2,440,000 of Parking Lease Revenue Bonds, Series A, to

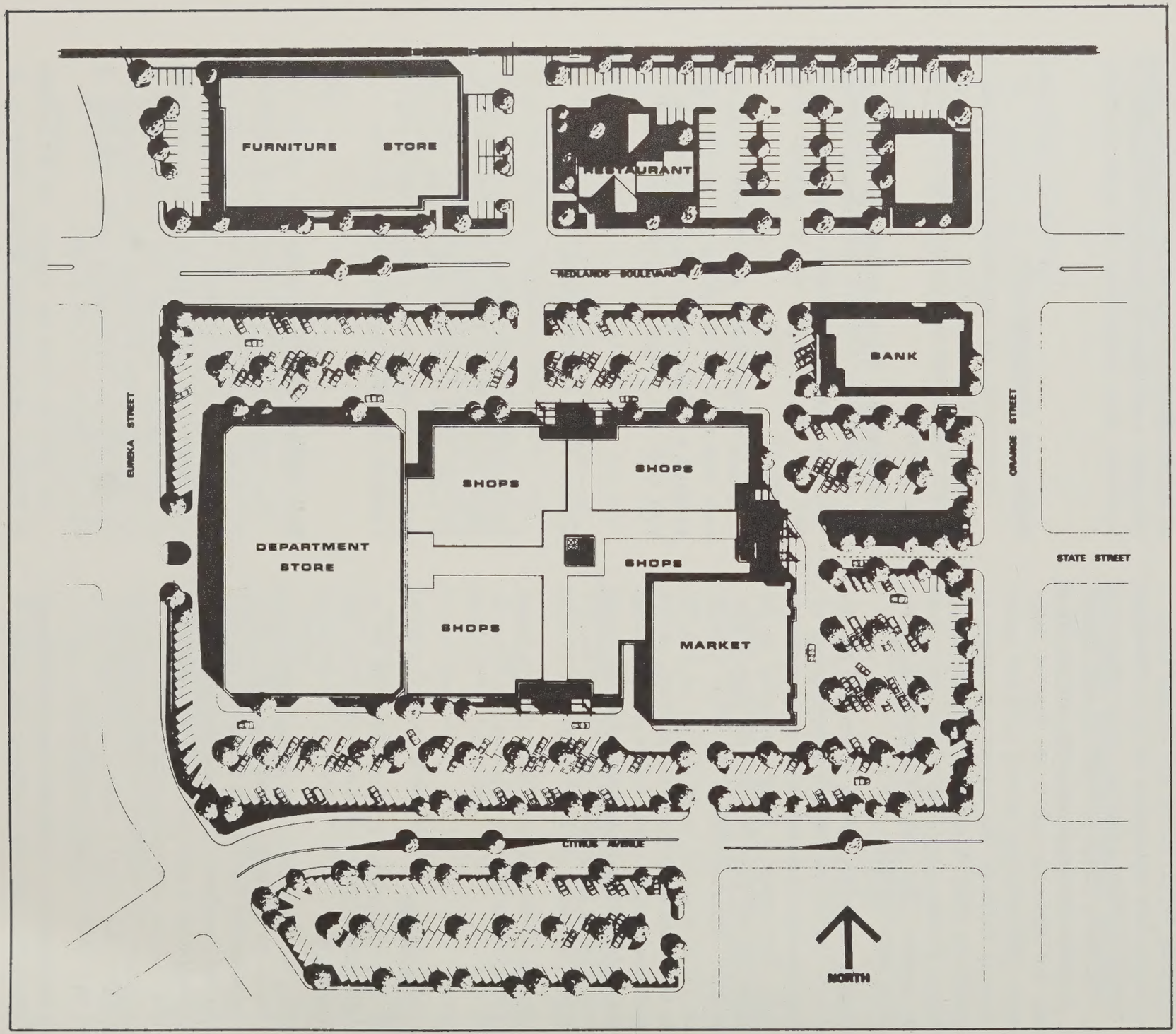

Figure 2

Diagram of the Shopping Center and Adjacent Development

finance the acquisition and clearance of land to be used for parking facilities, including 55,434 square feet of land to be used for the parking garage. At the time the parking facility sites were acquired the Agency also acquired approximately 18,712 square feet of land which was sold to the developer, together with the air rights over the 55,434 square feet of garage site, for a total of $296,585.

Subsequently it was determined that it would be impractical for the Agency to construct the garage and the developer to construct the shopping center facilities above it, due to the problems associated with having two contractors and two owners involved in what was to be essentially a single construction project. Accordingly the agreement with the developer was modified to provide that the developer would construct the garage and that the Agency would deed to the developer the shopping center site, including the land to be used for the garage.

The agreement provides that the Agency will pay the developer any amount by which the cost of constructing the garage exceeds the agreed-upon price of the land and that the developer will pay the Agency any amount by which the cost of constructing the garage is less than the agreed-upon price of the land. Currently the Agency claims the costs of construction were approximately $40,000 under the agreed land price and that it is entitled to payment of that amount, while the developer claims such costs were approximately $80,000 over the agreed land price and is asking for reimbursement of that amount. The differences involve certain work which was performed by the developer rather than independent contractors. The Agency expects the differences to be resolved by discussion and, in any event, has adequate contingency reserves to cover the developer's claim.

On October 1, 1974, the Agency sold $2,000,000 of 1974 Tax Allocation Notes to finance the acquisition, clearance and improvement of additional land, including both land to be retained by the Agency as sites for the surface parking and land to be conveyed to the developer.

On July 15, 1975, the Agency sold the $5,670,000 of 1975 Tax Allocation Bonds. The proceeds from the sale of the bonds were used to repay the 1974 Tax Allocation Notes, to acquire and clear the balance of the land to be conveyed to the developer, to reimburse the $296,585 previously advanced to the Agency by the developer, to repay a $300,000 advance from the City to the Agency, and to acquire certain land to be used for surface parking and to be leased to the City in place of that portion of the garage site previously leased to the City.

On July 29, 1975 the Agency sold $3,760,000 of Series B Parking Lease Revenue Bonds to finance the acquisition of the balance of the land to be used for parking purposes, and the construction of the surface parking facilities.

Estimated Tax Increment

As of the lien date for 1976/77 taxes, the property on which the shopping center is being constructed was owned by the Agency and accordingly it was exempt from taxes. Therefore this property is not included in the 1976/77 assessed valuation of the Redevelopment Project Area shown in Table 2. However the shopping center is expected to open during the first week of March 1977 and to be assessed for property taxes as of the March 1, 1977 lien date for 1977/78 taxes.

Table 6 shows an estimate of the assessed valuation of the Redevelopment Project Area which will be provided by the shopping center and certain other new facilities which have been completed in the Redevelopment Project Area since the lien date for 1976/77 taxes. The assessed valuation of land in the shopping center is based on a cash value of four dollars per square foot which is equivalent to the cost of the garage being built by the developer and to be conveyed to the Agency in lieu of payment for the land in the shopping center. The San Bernardino County Assessor reports that the land will be assessed at this rate for the 1977/78 fiscal year but expects that it will be reappraised at an earnings value for the 1978/79 fiscal year. The Agency has determined that the fair market value of the land at its highest and best use is $2,360,000, which would result in an assessed valuation of $590,000. However the value at which the land will be appraised by the County Assessor after the 1977/78 fiscal year cannot be determined. The assessed valuations of all new buildings, including the shopping center, is based upon building permit values which are believed to be less than the full cost of providing a finished building. The estimated assessed valuations of unsecured property were provided by the San Bernardino County Assessor.

Table 6

REDEVELOPMENT AGENCY OF THE CITY OF REDLANDS

Estimated 1977/78 Assessed Valuation and Tax Increment

Assessment Roll:	Secured	Unsecured	Total
Shopping Center			
Land	$ 236,043	$ —	$ 236,043
Buildings	840,000	—	840,000
Fixtures and Inventory			
Harris Department Store	—	862,500	862,500
Kinney's Shoe Store	—	23,750	23,750
Zale's Jewelry Store	—	28,825	28,825
Other Stores	—	50,000	50,000
Subtotal	$ 1,076,043	$ 965,075	$ 2,041,118
Other New Buildings			
Bank of Redlands	77,500	50,000	127,500
B. Dalton Book Sellers	8,000	—	8,000
Carl's Jr. Restaurant	37,750	25,000	62,750
Dangermond's Office Building	7,500	3,750	11,250
Elk's Club	72,000	18,750	90,750
H. D. Concessions	2,500	—	2,500
House of Fabrics	12,375	—	12,375
K-Mart Discount Store	437,500	325,000	762,500
Kling's Office Building	17,500	6,250	23,750
Pratt Brothers Sporting Goods	37,500	— ①	37,500
Teledyne, Inc.	25,000	6,250	31,250
Others	21,250	18,750	40,000
Total Estimated Increase In Assessed Valuation	$ 1,832,418	$ 1,418,825	$ 3,251,243
Less: Existing Assessed Valuation of Improved Properties	113,350	—	113,350
Estimated Net Increase in Assessed Valuation	$ 1,719,068	$ 1,418,825	$ 3,137,893
1976/77 Assessed Valuation	14,266,540	3,163,735	17,430,275
Total Estimated 1977/78 Assessed Valuation	$15,985,608	$ 4,582,560	$20,568,168
Less: Frozen Tax Base	11,222,340	2,540,840	13,763,180
Estimated Basis of 1977/78 Increment	$ 4,763,268	$ 2,041,720	$ 6,804,988
Times: 1976/77 Tax Rate Per $100 Assessed Valuation ÷ 100	.124641	.124641	.124641
Estimated 1977/78 Tax Increment	$ 593,698	$ 254,482	$ 848,180

① No unsecured assessed valuation increase shown since portion of inventory was moved from another store within the Redevelopment Project Area.

Balance Sheets

Table 7 shows the assets, liabilities and fund balances of the Agency — excluding fixed assets ($5,475,101) and amounts to be provided for future debt service ($26,507,870) — as of September 30, 1976, the end of the Agency's 1975/76 fiscal year. The Agency's financial activities and balance sheets have been audited by Eadie and Payne, Certified Public Accountants, Redlands, California.

Table 7

REDEVELOPMENT AGENCY OF THE CITY OF REDLANDS

Balance Sheet as of September 30, 1976

	Debt Service Funds				
	Parking Lease Revenue Bonds①	Tax Allocation Bonds②	Working Capital Fund	Acquisition And Construction Fund	Total All Funds
ASSETS					
Cash					
Held By Fiscal Agent	$ —	$ 42	$ —	$ —	$ 42
In Bank	—	—	51,442	212,461	263,903
Investments (At Cost)					
Held By Fiscal Agent	1,347,102	1,265,249	—	—	2,612,351
Inactive Deposits	—	—	—	1,737,500	1,737,500
Receivables					
Accrued Interest	30,730	24,695	—	15,177	70,602
Property Taxes		56,475	—	—	56,475
Other				5,662	5,662
Total Assets	$1,377,832	$1,346,461	$51,442	$1,970,800	$4,746,535
LIABILITIES, RESERVES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	$	$	$ 6,709	$ 91,270	$ 97,979
RESERVES					
Funded Interest	807,740	857,207			1,059,346
Bond Reserves	570,092	489,254			1,664,947
FUND BALANCES					
Working Capital Surplus			44,733		44,733
Construction Surplus				1,879,530	1,879,530
Total Liabilities, Reserves and Fund Balances	$1,377,832	$1,346,461	$51,442	$1,970,800	$4,746,535

Revenues, Expenditures and Fund Balances

Table 8 shows the Agency's revenues, expenditures and fund balances during the three fiscal years in which it has been operational. The data are derived from audit reports prepared by Eadie and Payne. However, the revenues, expenditures and fund balances of the various funds shown separately in the audit report are combined for ease of presentation.

Table 8

REDEVELOPMENT AGENCY OF THE CITY OF REDLANDS

Revenues and Expenditures

Year Ending September 30:	1974	1975	1976
REVENUES			
Tax Increment Revenues	$ 74,571	$ 135,073	$ 321,322
Interest	12,655	254,668	339,813
Rental of Property	—	57,430	33,128
Sale of Property	—	115,659	—
Sale of Bonds	2,440,000	9,361,515	—
Other	18,975	285	—
Total Revenues	$2,546,201	$9,924,630	$ 694,263
EXPENDITURES			
Bond Interest	$ —	$ 166,300	$ 911,850
Other Interest	—	306,520	7,348
Bond Issuance Costs	49,495	142,288	—
Fiscal Agent Fees	1,052	2,201	5,336
Professional Services		36,066	15,696
General and Administrative	11,973	40,082	39,150
Maintenance and Operation	67		3,272
Property Taxes			8,774
Acquisition and Construction	1,858,634	3,690,158	1,220,276
Total Expenditures	$1,921,221	$4,383,615	$2,211,702
RESERVES AND FUND BALANCE			
Funded Interest	$ 582,050	$1,331,503	$1,664,947
Bond Reserves	126,000	1,783,514	1,059,346
Fund Balances	(83,070)	3,050,978	1,924,263
Total Reserves and Fund Balances	$ 624,980	$6,165,995	$4,648,556

THE CITY

Redlands is the third largest city in San Bernardino County. The City covers an area of 22½ square miles and lies within the San Bernardino Valley in the southwestern portion of San Bernardino County. It is situated 63 miles east of Los Angeles, 103 miles north of San Diego and 500 miles southeast of San Francisco. Redlands comprises part of the San Bernardino-Riverside-Ontario Metropolitan Area and is part of the locale of major population and economic growth.

Long known as the center of a leading citrus growing area, the site of an excellent university and an attractive residential community, Redlands also has a diversified commercial and industrial base.

Climate

The climate of Redlands is warm owing to its proximity to the Mojave Desert. The mean temperature of the average hot day in August is 87 degrees. The mean temperature of the coldest day in January is 41 degrees. Precipitation amounts to a yearly average of about 15 inches.

Municipal Government

The City of Redlands was incorporated in 1888. It is a general law city operating under the council-manager form of government. The City Council is composed of five members who are elected at large to alternating four-year terms at elections held every two years. The Council selects one of its members to serve as Mayor.

Population

The 1970 census showed a population of 36,355 for the City of Redlands, an increase of 35.5 percent from the 1960 population of 26,829.

The State Department of Finance certified the 1976 population of the City to be 37,800.

Housing Characteristics

Following are values of owner-occupied dwellings and monthly rentals within the City of Redlands as reported in the 1970 Census.

CITY OF REDLANDS

1970 Housing Characteristics

VALUES OF OWNER-OCCUPIED DWELLINGS	
Less than $5,000	93
$5,000-$9,999	546
$10,000-$14,999	1,079
$15,000-$19,999	1,487
$20,000-$24,999	1,219
$25,000-$34,999	1,326
$35,000-$49,999	761
$50,000 or More	288
Total	6,799

CONTRACT RENTS	
Less than $60	681
$60-$79	858
$80-$99	572
$100-$119	334
$120-$149	744
$150-$199	535
$200-$249	135
$250 or More	95
None	147
Total	4,101

Due to inflation and other factors home values and rentals are now believed to be considerably above the figures reported in 1970.

Construction Activity

The number and valuation of building permits issued by the City of Redlands are set forth in the tabulation on the following page.

Employment

Shown below is the distribution of employment by industry for the City of Redlands and the surrounding communities of Bryn Mawr, Loma Linda, Yucaipa, Mentone, and Calimesa as of July 1970, the latest period for which information is available. These figures were estimated by the California Department of Employment Development.

REDLANDS LABOR MARKET

Employment

	July 1970 Estimates	
	Total	% of Total
Agriculture, forestry, fisheries	500	2.5
Mining	0	0.0
Contract construction	900	4.4
Manufacturing	3,400	16.8
Transportation, communication, utilities	900	4.4
Trade	3,300	16.3
Finance, insurance, real estate	700	3.4
Service	8,000	39.4
Government	2,600	12.8
Total	20,300	100.0

The local Redlands community labor market is located within the San Bernardino-Riverside-Ontario Metropolitan Labor Market Area which encompasses all of Riverside and San Bernardino Counties. The distribution of employment within the metropolitan area is shown in the following tabulation.

SAN BERNARDINO-RIVERSIDE-ONTARIO LABOR MARKET AREA

Employment as of October 1976

Classification	Employees
Manufacturing	52,000
Mineral Extraction	2,400
Contract Construction	12,800
Transportation, Communication and Utilities	18,400
Trade	83,600
Finance, Insurance and Real Estate	12,200
Services	69,700
Government	90,000
Agriculture	19,600
Total	360,700

CITY OF REDLANDS

Building Permits and Valuations

Year:	1972	1973	1974	1975	1976
VALUATION					
Single Family Residential	$1,869,870	$1,892,275	$ 596,700	$2,668,100	$ 6,354,923
Multiple Dwellings	3,830,350	187,850	65,000	—	806,000
Commercial	581,850	783,000	1,878,000	1,530,000	8,212,539
Industrial	253,110	134,000	637,650	—	100,000
Community Facilities①	37,000	1,883,920	315,900	584,305	—
Alterations	1,787,740	2,878,280	1,410,620	1,588,497	1,301,047
Other	439,410	1,109,110	403,523	2,999,999	882,745
Total Valuation	$8,799,330	$8,868,435	$5,307,393	$9,370,901	$17,657,254
PERMITS					
Residential	107	80	20	67	235
Other New Construction	17	13	18	8	22
Alterations and Others	774	837	756	875	883
Total Permits	898	930	794	950	1,140

① Churches, hospital, schools and museum.

Most major employers located in this area are within easy commuting distance of Redlands. This larger area provides a more meaningful measure of the economic impact on Redlands due to the mobility of labor within the area.

The government sector, including federal, state, and local employees, and military civilian workers, was the leading category, followed by the trade and services sectors. The primary metals and transportation equipment industries were the leading employers amongst manufacturers.

Family Income

The following tabulation summarizes family income data for the City of Redlands reported in the 1970 Census.

CITY OF REDLANDS

1970 Family Incomes

Income Level	Number of Families
Less than $4,000	972
$4,000-$5,999	849
$6,000-$7,999	1,073
$8,000-$9,999	955
$10,000-$11,999	1,085
$12,000-$14,999	1,213
$15,000-$24,999	2,174
$25,000-$49,999	601
Over $50,000	79
Total	9,001

Industry

The major manufacturing facilities with more than 50 employees located in Redlands are listed below.

Other major employers are the General Telephone Company (405) the University of Redlands (469) and the Redlands Community Hospital (467).

The 1976 San Bernardino County Industrial Directory — published by the San Bernardino County Economic Development Commission, an agency of the County government — listed close to 1,000 fabricating, manufacturing, and processing firms ranging in size from less than 10 employees to more than 1,000 employees. Kaiser Steel, located just 15 miles northwest of Redlands in Fontana, employs over 8,000 people and is the reason for the major employment being in the metals processing sector. As would be expected, much of the other major industry located in Fontana either supports or uses the output of Kaiser Steel.

Another major industry is citrus processing, owing to the citrus agriculture base of the county. The largest firm in this sector is the Orange Products Division of Sunkist Growers, Inc. Located in Ontario, the firm employs over 700 people.

Transportation equipment is another major industry and includes manufacturers of mobile homes and trailers, fiberglass parts, truck trailers and automobile parts, and aircraft maintenance.

Military Activity

Four major military installations are located in San Bernardino County while two other facilities with headquarters in adjacent counties occupy portions of the county. Norton Air Force Base, near the City of San Bernardino, employs the largest military and civilian contingent. The base employs 5,995 military and 2,947 civilian personnel. Estimated payrolls for the 1976/77 fiscal year are $94,750,255 for military and $51,892,371 for civilian personnel.

George Air Force Base, near Victorville, is headquarters for the 479th Tactical Fighter Wing, providing pilot and maintenance crew training.

The Marine Corps Supply Station near Barstow has the responsibility of storage, maintenance, repair, issuance and shipment of military materials to Marine Corps installations worldwide. Advantages of the base include its desert site with low humidity and rainfall and excellent transportation facilities. Another Marine Corps facility located at Twenty-Nine Palms covers an area of 932 miles, principally serving training functions for regular and reserve forces.

Commerce

A summary of taxable retail sales within the City of Redlands, as reported by the State Board of Equalization, appears on the following page.

CITY OF REDLANDS

Largest Industries

Company	Employment	Product
Big Bear Timber	Over 50	Lumber and particle board
Brookside Dairy	Over 100	Dairy and milk distribution
La-Z-Boy West Division	Over 100	Upholstered furniture
Richmond Division of Pakwell	Over 100	Plastic packaging materials
Teledyne Battery Products Division of Teledyne, Inc.	Over 100	Aircraft, automative and marine batteries
Tri-City Concrete	Over 50	Ready-mix concrete
Westinghouse Electric Corp.	Over 100	Electric vehicles

CITY OF REDLANDS

Taxable Sales Distribution (in thousands)

Year:	1971	1972	1973	1974	1975
Apparel stores	$ 2,681	$ 2,754	$ 2,449	$ 2,240	$ 2,260
General merchandise stores	5,175	7,564	7,663	7,583	9,146
Food stores	8,751	7,479	6,612	6,863	8,259
Package liquor stores	1,718	1,636	1,752	1,805	1,914
Eating and drinking places	4,782	6,435	7,439	8,424	9,179
Drug stores	1,312	1,231	1,234	1,297	1,463
Home furnishings and appliance stores	2,995	3,017	3,261	3,381	3,564
Building material and farm implement stores	1,420	1,150	1,234	1,369	1,418
Motor vehicle dealers, auto supply stores and service stations	20,745	24,666	29,622	27,294	28,964
Other retail outlets	4,139	5,073	6,286	8,652	6,527
Total Retail Sales	$53,718	$61,005	$67,552	$68,908	$72,694
All other outlets	9,069	9,501	10,007	10,327	11,366
Total All Sales	$62,787	$70,506	$77,559	$79,235	$84,060

As noted previously, a significant increase in commercial activity is expected to be produced by the shopping center which is part of the redevelopment project.

Banking

The Bank of America N.T. & S.A. has two branches in Redlands. The Bank of California N.A., Crocker National Bank, the Bank of Redlands, the Security Pacific National Bank and the United California Bank each have one branch.

In addition, there are four savings and loan offices in the City, Home Savings and Loan Association, Imperial Savings and Loan Association, Provident Federal Savings and Loan Association and Redlands Federal Savings and Loan Association.

Transportation

Redlands is served by two major transcontinental railroads, the Santa Fe and the Southern Pacific. Greyhound provides regularly-scheduled bus service.

Interstate Highway 10 is a six-lane freeway which passes through the City. It provides freeway access to San Bernardino, the Los Angeles area, eastern parts of San Bernardino County, and connects with other freeways for interstate and intrastate travel.

Redlands Municipal Airport, with a 4,500-foot runway, accommodates general aircraft. Ontario International Airport, 25 miles west of Redlands, is operated by the Los Angeles Department of Airports. Regularly scheduled service is provided by Air California, Hughes Air West, American Airlines, Continental Airlines, Golden West Airlines, PSA, United Air Lines and Western Airlines.

Utilities

Electric power is furnished by Southern California Edison Company. Southern California Gas Company provides natural gas service. Telephone service is furnished by General Telephone Company of California.

General Telephone, which recently completed a major switching facility within the City, employs approximately 300 people in Redlands. The Redlands District of Southern California Edison has 63 employees.

Education

All of the populated area of the City of Redlands is in the Redlands Unified School District. The

district operates eleven elementary schools, three junior high schools, and a senior high school. A small portion of the City is within the boundaries of the San Bernardino Unified School District. Shown below is the enrollment for the Redlands Unified School District in recent years.

ENROLLMENT OF SCHOOLS

Year	Elementary	Secondary
1972	5,743	5,744
1973	5,455	5,867
1974	5,186	5,692
1975	5,136	5,481
1976	4,869	5,289

An important part of the economic, cultural and social makeup of the City is the presence of the University of Redlands. The University was founded by the Baptist Church but it now operates as an independent institution.

It is made up of three colleges, the College of Arts and Sciences, which offers traditional programs in the liberal arts and science; Johnston College, which provides non-traditional, experimental programs; and Alfred North Whitehead College, offering graduate programs and programs in adult and continuing education.

The University currently employs 444 people and has an enrollment of 1,784 at the Redlands campus, plus 1,200 who are enrolled in adult education courses under Alfred North Whitehead College at more than 50 locations throughout the State.

The campus covers over 100 acres and contains 34 buildings surrounding a large quadrangle.

Just west of Redlands lies Loma Linda University, a Seventh-Day Adventist co-educational institution, with an annual enrollment of about 3,000. Other colleges within a short commuting distance of Redlands include the University of California at Riverside, California State College at San Bernardino, San Bernardino Valley Community College, and the Crafton Hills Community College.

Community Facilities

The Redlands Community Hospital has a bed capacity of 195. The 467 employees of the hospital command an annual payroll of $8,821,000. A total of 122 physicians have staff privileges at the hospital.

Local medical practitioners include 81 physicians and surgeons, 22 dentists, and 15 miscellaneous specialists. Loma Linda University Hospital and the recenlty authorized Loma Linda Veterans Administration Hospital are 6 miles west of Redlands.

Recreational facilities include a movie theatre, the University of Redlands' Glen Wallichs Theatre, the Crafton Hills Community College Theatre, the Redlands Bowl (an outdoor theatre), a lawn bowling facility, two public swimming pools, 7 parks, 13 playgrounds, and a golf club.

The San Bernardino County Museum is located in the City.

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